

Closed Session – May 2, 2005

At 5:50 p.m. the Board adjourned to closed session to establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property, pursuant to NCGS 143-318.11(a)(5). Commissioners Holmes, Kemp, Frye, Lanier and Davis were present, as well as County Manager Frank Willis; Alice Dawson, Clerk to the Board; Cheryl Ivey, Deputy Clerk; County Attorney Aimee Scotton; and Bill McDaniel, County Maintenance Supervisor.

Frank Willis spoke about a problem with the NRCS (Natural Resources Conservation Service—*Federal Agency*), the FSA (Farm Services Agency—*Federal Agency*) and the Soil & Water Conservation District—*Randolph County Agency*), all of whom are currently housed in the old Federal Building on Sunset Avenue in Asheboro, and with the USDA-Rural development—*Federal Agency*, which is currently housed in the Koger Center in Greensboro. Mr. Willis explained that these agencies went through the GSA (General Services Agency—*Federal Agency*) to lease space at the new Carolina Farmers Mutual Insurance Company at 515A Salisbury St., Asheboro. The Soil & Water Board accepted the lease agreement; however, sometime after March 14, 2005, after the City of Asheboro's Fire Inspectors changed the plans of the Farmers Mutual building to comply with their fire code to make room for fire escape requirements, the agencies felt they didn't have enough space and were unhappy with the deal. They asked the County Manager for help on April 13, 2005. They proposed that the County buy the building located at 355 S. Fayetteville St., Asheboro, which is currently occupied by the Employment Security Commission and owned by Mike Vuncannon, and then lease office space to NRCS, FSA, Soil & Water and USDA-Rural Development. The building's current tax value is \$577,330 and it has been recently appraised for \$544,000. Mr. Vuncannon's initial asking price was \$590,000, but he is now offering the building to the County for \$577,430.

Bill McDaniel said that the building is sound and would not be difficult or very costly to renovate.

Mr. Willis said that if the interested agencies lease office space in this building from the County at the customary federal rate, that the County should be able to recoup its investment within a maximum of 10 years. However, GSA has been reluctant to release these agencies from their lease agreement for the Farmer's Mutual building, thereby putting a halt to further (immediate) negotiations about office space in Mr. Vuncannon's building.

In the event that negotiations resume, the Board agreed to accept Mr. Vuncannon's asking price of \$577,430, if a deal can be worked out with the agencies wishing to lease space such that the deal yields a positive cash flow with a maximum of a 10-year payback.

*At 6:25 p.m., on motion of Kemp, seconded by Davis, the Board voted unanimously to resume open session.*

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J. Harold Holmes, Chairman

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Darrell L. Frye, Vice Chairman

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Phil Kemp

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Robert B. Davis

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Arnold Lanier

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Cheryl A. Ivey, Deputy Clerk to the Board